



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency:

- ☒ Preproposal Statement of Inquiry was filed as WSR 05-23-141 ; or
☐ Expedited Rule Making--Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice
☐ Supplemental Notice to WSR _____
☐ Continuance of WSR _____

Title of rule and other identifying information: (Describe Subject) Workers' Compensation Self Insurance Rules and Regulations, Chapter 296-15 WAC. This chapter governs employers who are permitted to self insure their workers' compensation obligation pursuant to Title 51 RCW. This filing includes new sections to define "default" and "financial watch" and establishes guidelines if a self-insured employer defaults on their workers' compensation obligation of if they experience a negative financial situation.

Hearing location(s):

Department of Labor & Industries
7273 Linderson Way SW
Tumwater, Washington 98501-5414

Date: February 22, 2006 Time: 1:30 pm

Submit written comments to:

Name: Margaret Conley
Address: PO Box 44890
Olympia, Washington 98504-4890
e-mail mcgm235@lni.wa.gov
fax (360)902-6900 by (date) February 22, 2006 5pm

Assistance for persons with disabilities: Contact

Margaret Conley by February 10, 2006

TTY (800) 833-6388 or (360) 902-6906

Date of intended adoption: March 21, 2006

(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The proposed new sections will define in rule "default" and "financial watch" and establish guidelines if a self-insured employer defaults on their workers' compensation obligation or if they experience a negative financial situation. The new sections will not modify existing rules.

Reasons supporting proposal:

The rules are being filed at the request of the Insolvency Trust Board, to better clarify for self-insured employers the steps taken by the department when a self-insured employer defaults on their workers' compensation obligation, or when a self-insured employer experiences a negative financial situation.

Statutory authority for adoption: RCW 51.04.020, RCW 51.14.020, RCW 51.32.190, RCW 51.14.090, and RCW 51.14.095

Statute being implemented:

Is rule necessary because of a:

Federal Law? ☐ Yes ☒ No
Federal Court Decision? ☐ Yes ☒ No
State Court Decision? ☐ Yes ☒ No
If yes, CITATION:

CODE REVISER USE ONLY**WSR #06-03-106****DATE**

January 17, 2006

NAME (type or print)

Gary K. Weeks

SIGNATURE**TITLE**

Director

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Department of Labor & Industries

☐ Private
☐ Public
☒ Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Jean Vanek	724 Quince St. SE, Olympia, WA 98501	(360) 902-6907
Implementation....Jean Vanek	724 Quince St. SE, Olympia, WA 98501	(360) 902-6907
Enforcement..... Jean Vanek	724 Quince St. SE, Olympia, WA 98501	(360) 902-6907

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No. Explain why no statement was prepared.

Chapter 296-15 WAC applies only to businesses that are certified to self-insure in Washington State. Per RCW 19.85.020 (1), a business must have fifty or few employees to qualify as a small business under the Regulatory Fairness Act. The department reviewed the number of worker hours reported by each employer currently certified to self-insure, and no self-insured business has fewer than fifty employees. Therefore, no small business economic impact statement is required.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No: Please explain:

The new sections proposed in this rule filing are for clarification only. Per RCW 34.05.328 (b) (iv), "rules that only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect" do not require a cost benefit analysis.